Bayh-Dole Model Conservative Sales Projections Win Appeal

27-May-97

EXHIBIT A-1

CellPro, Incorporated Summary

Net Product Sales
Total Revenue

1<u>893/94</u> 1,365

1994/95 4,216

1995/96 6,802 12,824

1996/97 9,517

1997/98 19,674

1998/99 40,942

1999/00 63,330

2000/01 102,842

4,216

9,650

19,980

40,942

63,330

102,842

11.860 21,645	Z.815 14,525	<u>5.365</u> 9,915	2.817 5,202	1.972 3.171	1.455 2,425	1.041 1,947	345 994	ROW Total
9,785	6,710	4,550		1,189	970	906	649	US
			_	al & Clinical	-Commerci	Treatments	oles (Patlent	Therapeutic 12.8 Disposables (Patlent Treatments-Commercial & Clinical)
0	1,687	1,586	761			S	ohns Hopkir	Royalties & Fess Paid to Johns Hopkins
367	307	252	211	166	156.8	180	142.5	Personnel
5,000	10,500	2,500	1,973	648	742	11,109	8,579	Capital Expenditure
-3,804	-9,346	-6,883	12,569	54,044	74,147	64,652	95,506	Cash Balance
5,542	-2,464	-19,451	41,475	-20,103	9,495	-30,855	-19,342	Cash Flow
120	-13,880	-116	-1,430	17,741	-2,477	-3,822	1,983	Special Items & Other
31,319	24,599	19,456	16,349	11,416	10,676	9,108	6,209	SG&A
26,100	23,003	20,842	18,200	15,776	15,970	14,164	7,637	R&D
26,386	20,637	14,195	8,965	5,617	4,208	3,682	3,575	Manufacturing & Distr.
				-				Memo: Expenses
18,318	8,571	-13,635	-22,205	40,914	-15,652	-18,986	-15,121	Net Income (Loss)
74.9%	68.7%	62.6%	55.9%	45.8%	45.3%	42.4%	57.9%	%
77,019	43,499	25,635	10,995	4,356	3,079	1,787	790`	Gross Product Margin
77,019	43,499	25,635	11,301	4,489	9,101	1,787	3,723	Total Margin

27-May-97

Bayh-Dole Model
Conservative Sales Projections
Win Appeal

EXHIBIT A-1

MAJOR ASSUMPTIONS OF Bayh-Dole Model

License granted by HHS with royalty payable to Johns Hopkins at a rate of 4% on future sales of 12.8 antibody products.

No restrictions on ability to sell or develop products world-wide due to HHS license.

Moderate expansion into new market opportunities including transplants for mismatched donors and autoimmune diseases; no revenues projected for treatment of AIDS patients

CellPro prevails on appeal at January 2000.

are not refunded. HHS license no longer necessary; royalty payments to JH stop; royalties paid to date

would free additional cash and extend the time before which cash deficiency occurs. (amount of damages and attorneys fees sought by plaintiffs in the district court infringement In the meantime, CellPro required to reclassify (but not pay-out) \$14 million of cash balance litigation) until decision on appeal of judgement. Lower award on claim for damages and fees

No federal income tax liability during this time period due to extensive NOL carry-forwards. NOL balances (\$95 million) are consumed. This will affect after-tax profits and cash flows after achieving break-even unti

Cash deficiency of \$22.5 million at 12/99 covered by external financing. Timing of successful would be reduced to \$10.5 million. appeal is important. If appeal could be concluded six months earlier cash deficiency

Bayh-Doie Model Conservative Sales Projections Lose Appeal

27-May-97

EXHIBIT A-2

CellPro, Incorporated Summary

Therapeutic 12.8 Disposables (Patient Tuse 12.8 Disposables (Patient Tuse 14.9	Royalties & Fess Paid to Johns Hopkins	Personnel	Capital Expenditure	Cash Balance	Cash Flow	Special Items & Other	SG&A	R&D	Manufacturing & Distr.	Momo: Expenses	Net Income (Loss)	Gross Product Margin %	Total Margin	Total Revenue	Net Product Sales
ables (Patier 649 345 994	Johns Hopk	142.5	8,579	95,506	-19,342	1,983	6,209	7,637	3,575		-15,121	790 57.9%	3,723	4,298	1 <u>993/94</u> 1,365
nt Treatmen 906 1.041 1,947	ins	180	11,109	64,652	-30,855	-3,822	9,108	14,164	3,682		-18,986	1,787 42.4%	1,787	4,216	1994/95 4,216
ts-Commer 970 1.455 2,425		156.8	742	74,147	9,495	-2,477	10,676	15,970	4,208		-15,652	3,079 45.3%	9,101	12,824	1995/96 6,802
Treatments-Commercial & Clinical) 906 970 1,199 1,041 1,455 1,872 1,947 2,425 3,171		166	648	54,044	-20,103	1/,/41	11,416	10,770	5,617		-40,914	4,356 45.8%	4,489	9,650	1996/97 9,517
al) 2,385 2.817 5,202	761	211	1,973	12,569	-41,475	-1,430	860.01	10,200	8,965		-22,205	10,995 55.9%	11,301	19,980	1997/98 19,674
4,550 <u>5.365</u> 9,915	1,586		2,500	-6,883	-19,451	011.	14,400	10,042	14,195		-13,635	25,635 62.6%	25,635	40,942	1998/99 40,942
6,710 7.815 14,525	2,460		10	,	-17,236	120	47.000	24 500	21,409		-6,202	67.5%	42,727	63,330	1999/00 63,330
9,785 5 11.860 5 21,645	4,021		G	'n					30,407		14,297	71.0%	72,999	102,842	2000/01 102,842

Bayh-Dole Model
Conservative Sales Projections
Lose Appeal

27-May-97

EXHIBIT A-2

MAJOR ASSUMPTIONS OF Bayh-Dole Model

License granted by HHS with royalty payable to Johns Hopkins at a rate of 4% on future sales of 12.8 antibody products.

No restrictions on ability to sell or develop products world-wide due to HHS license

Moderate expansion into new market opportunities including transplants for mismatched donors and autoimmune diseases; no revenues projected for treatment of AIDS patients.

CellPro loses appeal at January 2000.

HHS license continues.

CellPro pays out \$14 million of cash balance (amount of damages and attorneys pending decision on appeal of judgement. Lower award on claim for damages and fees would fees sought by plaintiffs in the district court infringement litigation) previously reclassified free additional cash and extend the time before which cash deficiency occurs and affect ending cash.

No federal income tax liability during this time period due to extensive NOL carry-forwards This will affect after-tax profits and cash flows after achieving break-even until NOL balances (\$95 million) are consumed.

Cash deficiency of \$28 million at 12/00 covered by external financing.

Bayh-Dole Model
Optimistic Sales Projections
Win Appeal

27-May-97

EXHIBIT A-3

CellPro, Incorporated Summary

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Therapeutic 12.8 Disposables (Patient US 849 ROW 345 Total	Royalties & Fees Paid to Johns Hopkins	Personnel	Capital Expenditure	Cash Balance	Cash Flow	Obecial ficing a const	Special Items & Other	SGRA	R&D	Memo: Expenses Manufacturing & Distr.	Net Income (Loss)	%	Gross Product Margin	Total Margin	Total Revenue	Net Product Sales
bles (Palient 649 345 994	Johns Hopki	142.5	8,579	95,506	-19,342		1.983	6,209	7,637	3,575	-15,121	57.8%	790	3.723	4.298	1 <u>993/94</u> 1,365
_	ns	180	11,109	64,652	-30,855		-3,822	9,108	14,164	3,682	-18,986	42.4%	1,787	1,787	4,216	19 <u>94/95</u> 4,216
realments-Commercial & Clinical 906 970 1,199 1,041 1,465 1,972 1,947 2,425 3,171	0	156.8	742	74,147	9,495		-2,477	10,676	15,970	4,208	-15,652	45.3%	3,079	9,101	12,824	1895/96 6,802
ial & Clinica 1,199 1,972 3,171	0	166	648	54,044	-20,103		17,741	11,415	15,776	5,617	40,914	45.8%	4,356	4,489	9,650	1996/97 9,517
2,595 3.069 5,664	845	211	1,973	12,691	-41,353		-1,427	16,349	18,200	9,185	-20,026	55.9%	12,178	12,784	22,382	1997/98 21,776
5,550 <u>6.555</u> 12,105	1,953	266	2,500	-3,158	-15,849		-163	20,755	21,157	16,120	-7,862	65.2%	32,785	32,785	50,306	1998/99 50,306
9,160 <u>10.765</u> 19,925	2,281	342	10,500	6,638	9,796		-13,880	28,252	24,041	25,375	24,385	71.4%	63,427	63,427	88,772	1 <u>999/00</u> 88,772
15,640 19,140 34,780	0	430	5,000	45,803	39,164		-554	35,994	31,094	35,031	65,420	78.0%	131,064	131,064	167,984	2000/01 167,984

Bayh-Dole Model
Optimistic Sales Projections

Win Appeal

EXHIBIT A-3

27-May-97

MAJOR ASSUMPTIONS OF Bayh-Dole Model

License granted by HHS with royalty payable to Johns Hopkins at a rate of 4% on

No restrictions on ability to sell or develop products world-wide due to HHS license

future sales of 12.8 antibody products.

Rapid expansion into new market opportunities including transplants for mismatched donors and autoimmune diseases; no revenues projected for treatment of AIDS patients

CellPro prevails on appeal at January 2000.

are not refunded. HHS license no longer necessary; royalty payments to JH stop; royalties paid to date

would free additional cash and extend the time before which cash deficiency occurs (amount of damages and attorneys fees sought by plaintiffs in the district court infringement In the meantime, CellPro required to reclassify (but not pay-out) \$14 million of cash balance litigation) until decision on appeal of judgement. Lower award on claim for damages and fees

No federal income tax liability during this time period due to extensive NOL carry-forwards. NOL balances (\$95 million) are consumed. This will affect after-tax profits and cash flows after achieving break-even until

Cash deficiency of \$11.7 million at 12/99 covered by external financing. Timing of successful appeal is important. If appeal could be concluded six months earlier cash deficiency would be reduced to \$2.6 million.

Bayh-Dole Model Optimistic Sales Projections Lose Appeal

27-May-97

EXHIBIT A-4

CellPro, Incorporated Summary

Net Product Sales
Total Revenue

1993/94 1,365 4,298

1994/85 4,216 4,216

1995/96 6,802 12,824

1996/97 9,517 9,650

1997/98 21,776 22,382

1998/99 50,306

1999/00 88,772 88,772

2000/01 167,984

50,306

167,984

Therapeutic 12.8 Disposables (Patient Treatments-Commercial & Clinical) US 649 906 970 1,199 ROW 345 1,041 1,455 1,972 Total 994 1,947 2,425 3,171	Royalties & Fees Paid to Johns Hopkins	Personnel	Capital Expenditure	Cash Balance	Cash Flow	Special Items & Other	SG&A	R&D	Memo: Expenses Manufacturing & Distr.	Net Income (Loss)	%	Gross Product Margin	Total Margin
ables (Palient 649 345 994	Johns Hopkin	142.5	8,579	95,506	-19,342	1,883	6,209	7,637	3,575	-15,121	57.9%	790	3,723
Treatments- 906 1.041 1.947	S	180	11,109	64,652	-30,855	-3,822	9,108	14,164	3,682	-18,986	42.4%	1,787	1,787
Commercia 970 1.455 2,425	0	156.8	742	74.147	9,495	-2,4//	10,676	15,970	4,208	-15,652	45.3%	3,079	9,101
1,199 1,972 3,171	0	166	648	54.044	-20,103	1/,/41	11,415	15,776	6,617	-40,914	45.8%	4,356	4,489
2,595 3,069 5,664	845	211	1,973	12,691	-41,353	-1,42/	16,349	18,200	9,185	-20,026	55.9%	12,178	12,784
5,550 <u>6,555</u> 12,105	1,953	266	2,500	-3,158	-15,849	-163	20,755	21,157	16,120	-7,862	65.2%	32,785	32,785
9,160 10.765 19,925	3,462	342	10,500	-8,543	-5,385	021	28,252	24,041	26,556	9,203	70.1%	62,246	62,246
15,640 19,140 34,780	6,595	430	5,000	23,420	31,962	23	35,994	31,094	41,626	58,218	74.1%	124,469	124,469

Bayh-Dole Model
Optimistic Sales Projections

Lose Appeal

27-May-97

EXHIBIT A-4

MAJOR ASSUMPTIONS OF Bayh-Dole Model

License granted by HHS with royalty payable to Johns Hopkins at a rate of 4% on future sales of 12.8 antibody products.

No restrictions on ability to sell or develop products world-wide due to HHS license

Rapid expansion into new market opportunities including transplants for mismatched donors and autoimmune diseases; no revenues projected for treatment of AIDS patients.

CellPro loses appeal at January 2000.

HHS license continues.

CellPro pays out \$14 million of cash balance (amount of damages and attorneys pending decision on appeal of judgement. Lower award on claim for damages and fees would fees sought by plaintiffs in the district court infringement litigation) previously reclassified free additional cash and extend the time before which cash deficiency occurs and affect ending cash.

No federal income tax liability during this time period due to extensive NOL carry-forwards This will affect after-tax profits and cash flows after achieving break-even until NOL balances (\$95 million) are consumed.

Cash deficiency of \$11.7 million at 12/99 covered by external financing

World-wide Injunction Model
Baxter/Hausman Version
Conservative Sales Projections

27-May-97

EXHIBIT B-1

MAJOR ASSUMPTIONS OF BAXTER/HAUSMAN INJUNCTION MODEL

No action by HHS

Court injunction as currently proposed becomes effective 7/1/97 (no stay granted pending full review in appellate court).

CellPro required to pay Baxter \$2,000 per disposable for each unit sold in US.

approved for sale in US in April 1999 (except sales of LC research product is ended July 1997). transplants for mismatched donors and autoimmune diseases until Baxter product US sales follow model for moderate expansion into new market opportunities including All 12.8 antibody products phased down beginning April 1999 and cease in July 1999.

capital expenditure in Europe of \$2.0 million in 1998/99) up again in year three. (Production of 12.8 antibody products moved to Europe during 1998; International sales phased down over year one and eliminated during year two; begin to ramp

and attorneys fees sought by plaintiffs in the district court infringement litigation) additional cash and extend the time before which cash deficiency occurs. until decision on appeal of judgement. Lower award on claim for damages and fees would free CellPro required to reclassify (but not pay-out) \$14 million of cash balance (amount of damages

New product development and clinical trials of existing and development products continue at similar rates as anticipated under the Bayh-Dole scenario in attempt to acquire or develop other non-12.8 antibody products.

This is not a viable model. Results in major cash shortfall, beginning June 1998 with no ability to finance cash requirements

World-wide Injunction Model
Baxter/Hausman Version
Optimistic Sales Assumption

27-May-97

EXHIBIT B-2

CellPro, Incorporated Summary

Reduction in Disposables (Patient Treatments-Commercial & Clinical) US ROW Total	Therapeutic 12.8 Disposables (Patient Treatments-Commercial & Clinical)) US 649 906 970 1,189 ROW 345 1.041 1.455 1.972 Total 994 1,947 2,425 3,171	Incremental Profit Paid to Baxter	Personnel	Capital Expenditure	Cash Balance	Cash Flow	Special Items & Other	SG&A	R&D	Memo: Expenses Manufacturing & Distr.	Net Income (Loss)	Gross Product Margin %	Total Margin	Total Revenue	Net Product Sales
(Patient T	les (Patie 649 345 994	Baxter	142.5	8,579	95,506	-18,342	1,983	6,209	7,637	3,576	-15,121	780 57.9%	3,723	4,298	1993/94 1,365
realments-C	nt Treatme 906 1.041 1.947	0	180	11,109	64,652	-30,855	-3,822	9,108	14,164	3,682	-18,986	1,787 42.4%	1,787	4,216	1994/95 4,216
Commercial	nts-Comme 970 1.455 2;425	0	156.8	742	74,147	9,495	-2,477	10,676	15,970	4,208	-15,652	3,079 45.3%	9,101	12,824	1995/96 6,802
& Clinical)	rcial & Clini 1,199 1,972 3,171	0	166	648	54,044	-20,103	17,741	11,415	15,776	5,617	40,914	4,356 45.8%	4,489	9,650	1996/97 9,517
0 <u>-1.330</u> -1,330	ical)) 2,595 1.739 4,334	7,148	211	1,274	5,379	-48,665	-1,362	16,320	18,188	7,069	-31,067	8,964 55.5%	9,213	16,394	1997/98 16,145
0 -6.432 -6,432	5,550 123 5,673	9,196	231	2,500	-27,638	-33,016	63	14,771	21,139	9,019	-32,392	13,197 60.4%	13,197	21,856	1998/99 21,856
-8,489 <u>-9,589</u> -18,078	671 1.176 1.847	1,342	179	700	-56,099	-28,461	021	10,564	23,967	7,429	-33,859	4,356 45.3%	4,356	9,622	1999/00 9,622
-15,640 -16.098 -31,738	0 3.042 3,042	0	236	1,100	-93,469	-37,371	021	12,658	30,922	8,603	-37,042	6,603 43.0%	6,603	15,361	2000/01 15,361

World-wide Injunction Model Baxter/Hausman Version

Optimistic Sales Assumption

27-May-97

EXHIBIT B-2

MAJOR ASSUMPTIONS OF BAXTER/HAUSMAN INJUNCTION MODEL

No action by HHS

Court injunction as currently proposed becomes effective 7/1/97 (no stay granted pending full review in appellate court).

CellPro required to pay Baxter \$2,000 per disposable for each unit sold in US.

approved for sale in US in April 1999 (except sales of LC research product is ended July 1997). All 12.8 antibody products phased down beginning April 1999 and cease in July 1999. transplants for mismatched donors and autoimmune diseases until Baxter product US sales follow model for rapid expansion into new market opportunities including

capital expenditure in Europe of \$2.0 million in 1998/99) up again in year three. (Production of 12.8 antibody products moved to Europe during 1998; International sales phased down over year one and eliminated during year two; begin to ramp

and attorneys fees sought by plaintiffs in the district court infringement litigation) additional cash and extend the time before which cash deficiency occurs. until decision on appeal of judgement. Lower award on claim for damages and fees would free CellPro required to reclassify (but not pay-out) \$14 million of cash balance (amount of damages

New product development and clinical trials of existing and development products in attempt to acquire or develop other non-12.8 antibody products. continue at similar rates as anticipated under the Bayh-Dole scenario

This is not a viable model. Results in major cash shortfall, beginning June 1998 with no ability to finance cash requirements

Conservative Sales Assumption	Modified Version	World-wide Injunction Model
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27-May-97

EXHIBIT C-1

CellPro, Incorporated Summary

				Julillary				
\$000								
Net Product Sales	1,365	4,216	6,802	9,517	10,276	589,8 6810681	210,7 VOJEBRI	14,574
Total Revenue	4,298	4,216	12,824	9,650	10,525	6,685	7,015	14,574
Total Margin	3,723	1.787	9,101	4,489	5,049	3,218	3,120	6,453
Gross Product Margin	790	1,787	3,079	4,356		3,218	3,120	6,453
%	57.9%	42.4%	45.3%	45.8%	46.7%	48.1%	44.5%	44.3%
Net Income (Loss)	-15,121	-18,986	-15,652	-40,914	-30,263	-18,803	-15,914	-16,068
Memo: Expenses	- W.W.							
Manufacturing & Distr.	3,575	3,682	4,208	5,617	6,494	5,382	5,595	8,426
R&D	7,637	14,164	15,970	15,776	15,880	7,697	7,542	9,483
SG&A	6,209	9,108	10,676	11,416	15,221	9,634	9,233	12,513
Special Items & Other	1,983	-3,822	-2,477	17,741	-1,425	-72	120	120
Cash Flow	-19,342	-30,855	9,495	-20,103	-43,804	-19,868	-14,642	-16,745
Cash Balance	95,506	64,652	74,147	54,044	10,240	-9,629	-24,271	41,016
Capital Expenditure	8,579	11,109	742	648	803	2,200	700	1,100
Personnel	142.5	180	156.8	166	164	83	106	149
Incremental Profit Paid to Baxter	Baxter	0	0	0	4,518	2,786	380	0
Therapeutic 12.8 Disposables (Patlent Treatments-Commercial & Clinical))	ables (Patier	it Treatmen	ts-Commer	cial & Clinic	al))			
SUS	649	906	970	1,199		1,270	190	0
ROW	26	1.041	1.455	1.972	1.739	123	1.176	3.042
Total	994	1,947	2,425	3,171	2,689	1,393	1,366	3,042
Reduction in Disposables (Patient Treatments-Commercial & Clinical)	s (Patient Tre	atments-Co	ommercial (Clinical)	-1.435	-3,280	-6,520	-9,785
ROW					-1.078 -2.513	-5.242 -8 522	-6.639 -13 159	-18.81B

World-wide Injunction Model Modified Version

Conservative Sales Assumption

28-May-97

EXHIBIT C-1

MAJOR ASSUMPTIONS OF MODIFIED INJUNCTION MODEL

No action by HHS

Court injunction as currently proposed becomes effective 7/1/97 (no stay granted pending full review in appellate court).

CellPro required to pay Baxter \$2,000 per disposable for each unit sold in US

approved for sale in US in April 1999 (except sales of LC research product is ended July 1997. All 12.8 antibody products phased down beginning April 1999 and cease in July 1999. transplants for mismatched donors and autoimmune diseases until Baxter product US sales at 40% of level for moderate expansion into new market opportunities including

capital expenditure in Europe of \$2.0 million in 1998/99) up again in year three. (Production of 12.8 antibody products moved to Europe during 1998; International sales phased down over year one and eliminated during year two; begin to ramp

additional cash and extend the time before which cash deficiency occurs. until decision on appeal of judgement. Lower award on claim for damages and fees would free and attorneys fees sought by plaintiffs in the district court infringement litigation) CellPro required to reclassify (but not pay-out) \$14 million of cash balance (amount of damages

No sales of new products; discontinuation of clinical trials; discontinuation of all new clinical development still needs to be completed). product development. (Sales of CD4/CD8 included because product development complete;

Major down-sizing of company implemented December 1997 effective March 1998. (Timing appeal.) Includes 2/3 R&D, 1/3 manufacturing, 1/2 administration, and phase-down in sales/marketing of 2/3. These functions begin to expand again in July 1999 when ex-US sales begin again. coincides with time for resolution by appellate court of request for expedited stay pending

This is not a viable model. Results in major cash shortfall, beginning October 1998 with no ability to finance cash requirements.

World-wide Injunction Model
Modified Version
Optimistic Sales Projections

27-May-97

EXHIBIT C-2

CellPro, incorporated Summary

\$000

1993/94 1,365

1994/95 4,216

Net Product Sales
Total Revenue
Total Margin

4,298 3,723

4,216 1,787

1995/96 6,802 12,624 9,101

4,489

5,229

3,864

3,295

1996/97 1997/98 2 9,617 10,645 4 9,650 10,894

1998/99 8,036

1999/00 7,588 7,588

2000/01 15,361

8,036

15,361 6,603

Reduction in Disposables (Palient Treatments-Commercial & Clinical) US ROW Total	Therapeutic 12.8 Disposables (Patient Treatments-Commercial & Clinical)) US 549 906 970 1,199 ROW 345 1.041 1.455 1.972 Total 894 1,947 2,425 3,171	Incremental Profit Paid to Baxter	Personnel	Capital Expenditure	Cash Balance	Cash Flow	Special Items & Other	SG&A	R&D	Memo: Expenses Manufacturing & Distr.	Net Income (Loss)	Gross Product Margin %
(Palient Trea	bles (Patient 549 345 994	Baxter	142.5	8,579	95,506	-19,342	1,983	6,209	7,637	3,675	-15,121	790 57.8%
atments-Cor	Treatments 906 1.041 1,947	0	180	11,109	64,652	-30,855	-3,822	9,108	14,164	3,682	-18,986	1,787 42.4%
nmercial &	-Commerci 970 1.455 2,425	0	156.8	742	74,147	9,495	-2,477	10,676	15,970	4,208	-15,652	3,079 45.3%
Clinical)	al & Clinica 1,199 1,972 3,171	0	166	648	54,044	-20,103	17,741	11,415	15,776	5,617	-40,914	4,356 45.8%
-1,565 -1,330 -2,895	1,030 1,739 1,739 2,769	4,678	164	803	9,721	-44,323	-1,423	15,221	15,880	6,548	-30,110	4,980 46.8%
-3,990 - <u>6.432</u> -10,422	1,560 123 1,683	3,366	83	2,200	-10,568	-20,289	-62	9,634	7,697	5,487	-18,146	3,864 48.1%
-8,926 <u>-9,589</u> -18,515	234 1.176 1,410	468	106	700	-23,428	-12,860	120	9,233	7,542	5,669	-15,503	3,295 43.4%
-15,640 -16,098 -31,738	0 <u>3.042</u> 3,042	0	149	1,100	-39,684	-16,256	120	12,513	9,483	8,599	-15,453	6,603 43.0%

World-wide Injunction Model Modified Version

Optimistic Sales Projections

28-May-97

EXHIBIT C-2

MAJOR ASSUMPTIONS OF MODIFIED INJUNCTION MODEL

No action by HHS

Court injunction as currently proposed becomes effective 7/1/97 (no stay granted pending full review in appellate court).

CellPro required to pay Baxter \$2,000 per disposable for each unit sold in US.

approved for sale in US in April 1999 (except sales of LC research product is ended July 1997. All 12.8 antibody products phased down beginning April 1999 and cease in July 1999. transplants for mismatched donors and autoimmune diseases until Baxter product US sales at 40% of level for rapid expansion into new market opportunities including

up again in year three. (Production of 12.8 antibody products moved to Europe during 1998; capital expenditure in Europe of \$2.0 million in 1998/99) International sales phased down over year one and eliminated during year two; begin to ramp

until decision on appeal of judgement. Lower award on claim for damages and fees would free additional cash and extend the time before which cash deficiency occurs. and attorneys fees sought by plaintiffs in the district court infringement litigation) CellPro required to reclassify (but not pay-out) \$14 million of cash balance (amount of damages

No sales of new products; discontinuation of clinical trials; discontinuation of all new clinical development still needs to be completed). product development. (Sales of CD4/CD8 included because product development complete;

Major down-sizing of company implemented December 1997 effective March 1998. (Timing appeal.) Includes 2/3 R&D, 1/3 manufacturing, 1/2 administration, and phase-down in sales/marketing coincides with time for resolution by appellate court of request for expedited stay pending of 2/3. These functions begin to expand again in July 1999 when ex-US sales begin again.

This is not a viable model. Results in major cash shortfall, beginning October 1998 with no ability to finance cash requirements.

27-May-97

EXHIBIT D-1

Su	CellPro,
mmary	incorporated

1993/94 1,365 4,298 3,723 790 57.9%

1994/95 4,216 4,216 1,787 1,787 42,4%

1995/96 6,802 12,824 9,101 3,079 45.3%

1996/97 9,517 9,650 4,489 4,356 45.8%

1997/98 8,361 8,610 4,158 3,909 46.8%

-9.785 -11.860 -21,645	-6,710 -7.815 -14,525	-4,550 -5,365 -9,915	-1,615 -1,338 -2,953	L Clinical)	Commercial (reatments-(s (Patient T	Reduction in Disposables (Patient Treatments-Commercial & Clinical) US ROW Total
000	000	000	al)) 770 1.479 2,249	cial & Clinic 1,199 1.972 3,171	nts-Commen 970 1.455 2,425	ent Treatme 906 1.041 1,947	ables (Patic 649 345 994	Therapeutic 12.8 Disposables (Patient Treatments-Commercial & Clinical)) US 649 908 970 1,199 ROW 345 1,041 1,455 1,972 Total 994 1,947 2,425 3,171
0	-3,668	0	3,668	0	0	0	o Baxler	Incremental Profit Paid to Baxter
ω	ы	ω	164	168	156.8	180	142.5	Personnel
0	0	0	803	648	742	11,109	8,579	Capital Expenditure
23,270	24,498	8,994	11,575	54,044	74,147	64,652	95,506	Cash Balance
-1,228	15,504	-2,581	-42,469	-20,103	9,495	-30,855	-19,342	Cash Flow
720,1-	-14,345	-436	-1,413	17,741	-2,477	-3,822	1,883	Special Items & Other
1,384	1,406	954	14,252	11,415	10,676	9,108	6,209	SG&A
1,179	1,357	1,750	14,883	15,776	15,970	14,164	7,637	R&D
512	579	704	5,956	6,617	4,208	3,682	3,575	Memo: Expenses Manufacturing & Distr.
-2,053	14,672	-2,973	-28,836	40,914	-15,652	-18,986	-15,121	Net Income (Loss)
0.0%	0.0%	0.0%	3,909 46.8%	4,356 45.8%	3,079 45.3%	1,787 42.4%	790 57.9%	Gross Product Margin %
0	0	0	4,158	4,489	9,101	1,787	3,723	Total Margin
0	0	0	8,610	9,650	12,824	4,216	4,298	Total Revenue
0	0	0	8,361	9,517	6,802	4,216	1,365	Net Product Sales

Shutdown Model Win Appeal

27-May-97

EXHIBIT D-1

MAJOR ASSUMPTIONS OF SHUTDOWN MODEL

No action by HHS

Court injunction as currently proposed becomes effective 7/1/97

CellPro required to pay \$2,000 per disposable for each unit sold in US.

No stay granted prior to review of appeals case.

value of technology. Some immaterial sales of product lines and other assets court not to grant stay. Shutdown designed to conserve cash while funding appeal likely but not modelled. Limited staff of 3 people retained to coordinate litigation efforts and attempt to preserve CellPro goes into complete shutdown beginning January 1998 upon decision by appellate

damages and attorneys fees sought by plaintiffs in the district court infringement and fees would affect cash balances prior to January 2000. litigation) until decision on appeal of judgement. Lower award on claim for damages CellPro required to reclassify (but not pay-out) \$14 million of cash balance (amount of

CellPro prevails on appeal at January 2000

capital (\$30-\$50 million) combined with current cash to restart company, or (c) attempt of 1997 sales at \$2,000 per unit. Cash balance as of January 2000 is \$24.5 million. Reclassified cash returned to cash balance. Baxter required to return amounts paid on account Decision whether to (a) dividend out cash to shareholders (b) attempt to raise new to find buyer for company to complete future commercialization programs.

Shutdown Model
Lose Appeal

27-May-97

EXHIBIT D-2

CellPro, incorporated Summary

Reduction in Disposables (Patient Treatments-Commercial & Clinical) US ROW Total	Therapeutic 12.8 Disposables (Patient Treatments-Commercial & Clinical)) US 649 906 970 1,199 ROW 345 1.041 1.455 1.972 Total 994 1,947 2,425 3,171	Incremental Profit Paid to Baxter	Personnel	Capital Expenditure	Cash Balance	Cash Flow	Special Items & Other	SG&A	R&D	Memo: Expenses Manufacturing & Distr.	Net Income (Loss)	Gross Product Margin %	Total Margin	Total Revenue	Net Product Sales
es (Patient T	sables (Patir 649 345 994	to Baxter	142.5	8,579	95,506	-19,342	COR'L	6,209	7,637	3,575	-15,121	790 57.9%	3,723	4,298	1993/94 1,365
realments-C	ant Treatme 906 1.041 1,947	0	180	11,109	64,652	-30,855	-2,0,6	9,108	14,164	3,682	-18,886	1.787	1,787	4,216	1994/95 4,216
Sommercial	nts-Comme 970 1.455 2,425	O	156.8	742	74,147	9.495	111.2.	10,676	15,970	4,208	-15,652	45.3%	8,101	12,824	1995/96 6,802
& Clinical)	rcial & Clini 1,199 1,972 3,171	0	166	648	54,044	-20,103	11,171	11,416	15,776	5,617	-40,914	45.8%	4,489	9,650	1996/97 9,517
-1,615 -1,338 -2,953	cal)) 770 1.479 2,249	3,668	164	803	11,575	-42,469	1,410	14,252	14,883	5,956	-28,836	3,808 46.8%	4,158	8,610	1997/98 8,361
-4,550 -5,365 -9,915	000	0	ű	0	8,994	-2,581	100	954	1,750	704	-2,973	0.0%	. 0		1998/99 0
-6,710 - <u>7,815</u> -14,525	000	0	3	0	6,830	-2,164		-345	1,357	579	-2,996	0.0%		0	1999/00 0
-9,785 -11.860 -21,645	0 00 0	0	ω	0	4,839	-1,991		-250	1,1/9	512	-2,816	0.0%	, 0	0	2000/01 0

Shutdown Model
Lose Appeal

27-May-97

EXHIBIT D-2

MAJOR ASSUMPTIONS OF SHUTDOWN MODEL

No action by HHS.

Court injunction as currently proposed becomes effective 7/1/97

CellPro required to pay \$2,000 per disposable for each unit sold in US.

No stay granted prior to review of appeals case.

court not to grant stay. Shutdown designed to conserve cash while funding appeal. value of technology. Some immaterial sales of product lines and other assets Limited staff of 3 people retained to coordinate litigation efforts and attempt to preserve CellPro goes into complete shutdown beginning January 1998 upon decision by appellate likely but not modelled.

damages and attorneys fees sought by plaintiffs in the district court infringement CellPro required to reclassify (but not pay-out) \$14 million of cash balance (amount of and fees would affect cash balances prior to January 2000. litigation) until decision on appeal of judgement. Lower award on claim for damages

CellPro loses appeal at January 2000

infringement litigation). Cash balance available to dividend out to shareholders as of January 2000 is \$7.2 million (greater if court makes lower award for past damages and/or denies fees sought by plaintiffs in

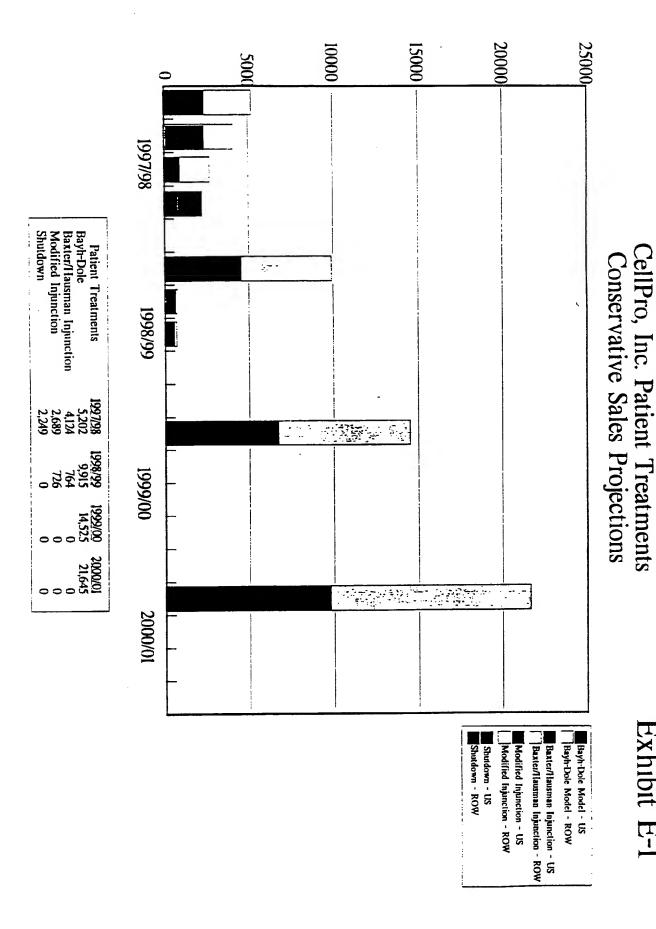
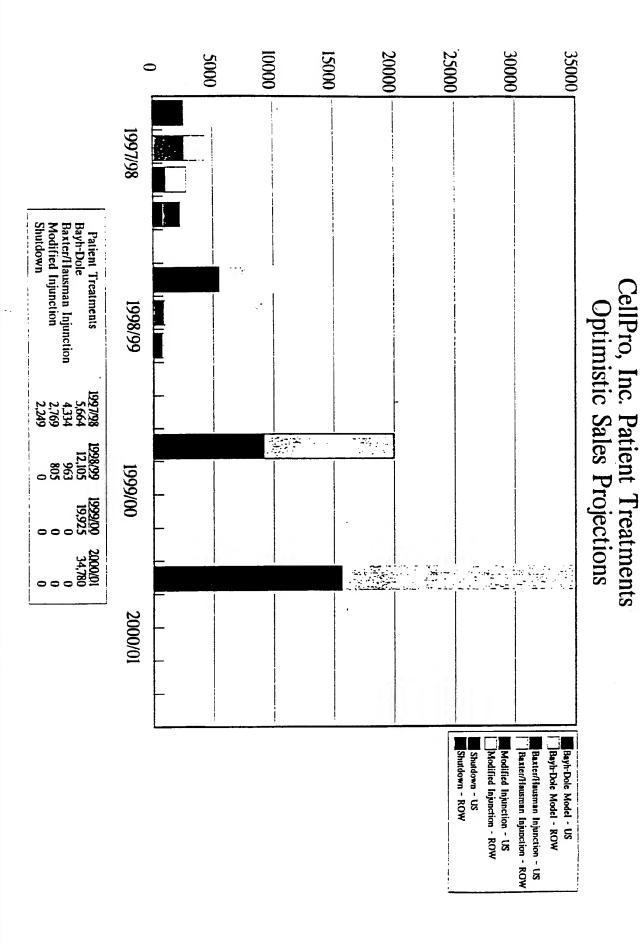


Exhibit E-1

Exhibit E-2



CellPro, Inc.
Research & Development Investment Exhibit F

